



## U.S. Department of Justice

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**FOR IMMEDIATE RELEASE  
JULY 22, 2004**

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**VALDOSTA ATTORNEY SENTENCED FOR  
MAIL FRAUD AND BANK FRAUD**

**VALDOSTA:** Maxwell Wood, United States Attorney for the Middle District of Georgia, announces that **WILLIE J. LINAHAN**, age 49, of Valdosta, Georgia, was sentenced today, by U.S. District Court Judge Hugh Lawson, to serve 12 months in the custody of the Bureau of Prisons, pay restitution in the amount of \$26,500, pay a fine of \$25,000 and spend 5 years on supervised release.

**LINAHAN** entered a guilty plea in U.S. District Court in Macon on February 24, 2004 to a two count Information charging him with Mail Fraud in Count 1 and Bank Fraud in Count 2.

According to the plea agreement, during 1999 another individual devised a scheme to obtain money under false pretenses by obtaining a mortgage loan for real property based upon a grossly inflated appraisal, resulting in a surplus of funds. The organizer of the scheme would locate property that was for sale or was available to be refinanced, make arrangements for an inflated appraisal, and secure financing. Since the amount of the mortgage was based upon a false and inflated appraisal, the mortgage company would unknowingly agree to loan more money than the property was worth. **LINAHAN** served as the closing attorney for several of these transactions.

During the early part of 2000, **LINAHAN** wanted to make a quick but profitable sale of a

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house located in Valdosta, which he had purchased as an investment. Although **LINAHAN** had

only

invested \$20,000 in the house, arrangements were made for an inflated appraisal of \$58,000 and for a person to act as the buyer of the property. As a result, the participants in the scheme were able to secure a mortgage loan for the buyer in the amount of \$43,000. Based upon the inflated and false appraisal, **LINAHAN** was able to net approximately \$18,000 in cash from the sale. The “buyer” did not provide any cash for the transaction, never intended to live in the house and did not make the mortgage payments. On March 9, 2000, **LINAHAN** sent the loan closing documents for the property to NCS Mortgage Services by Federal Express thus providing a basis for the Mail Fraud charge.

In regard to the Bank Fraud charge, in October 1999, **LINAHAN** obtained a loan in the amount of \$395,000 from the First State Bank and Trust. The bank made the loan as a refinance on the defendant’s farm and expected the loan would be secured by that real property. By virtue of his position in a law firm, **LINAHAN** was able to cause a title opinion to be submitted to the bank indicating that the bank would hold a valid first lien on the property. In reality, there were other financial institutions holding mortgages secured by that same property that were not disclosed in the title opinion nor did the opinion disclose that **LINAHAN** was not the true title holder. Once the loan was closed, no security deed was ever filed to perfect the bank’s lien. Instead, **LINAHAN** used the filing information from other documents to create a counterfeit security deed to send to the bank to disguise the fact that no security deed was ever filed and the loan was never secured by the real property.

The case was investigated by the Valdosta office of the Federal Bureau of Investigation. Assistant United States Attorney Donald L. Johstono prosecuted the case.

**LINAHAN** will be allowed to surrender voluntarily in about four to six weeks.

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For further information, contact United States Attorney Maxwell Wood or Assistant United States Attorney Donald L. Johstono through Pamela Lightsey, Community Relations Specialist, at 478-621-2603 or visit our web site at [www.usdoj.gov/usao/gam](http://www.usdoj.gov/usao/gam).

**APPROVED FOR RELEASE**

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**MAXWELL WOOD  
UNITED STATES ATTORNEY**